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June 4, 2004

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When calling relative to this
matter, refer to file No. 1184.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Cotton Valley D Zone, Reservoir A
Cotton Valley Vaughn Sand, Reservoir A
South Drew Field
Ouachita Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Medallion Resources, Inc. hereby gives notice pursuant to the revised rules of procedure of its intention to apply for a public hearing to consider evidence relating to the following matters pertaining to the Cotton Valley D Zone, Reservoir A, and the Cotton Valley Vaughn Sand, Reservoir A, in the South Drew Field, Ouachita Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize alternate unit wells on CV D RA SUDD and VGN RA SUN at the location shown on the attached plat;
2. To approve exceptions to the well location provisions of applicable Office of Conservation Orders as to the Cotton Valley D Zone, Reservoir A, and the Cotton Valley Vaughn Sand, Reservoir A, for the proposed alternate unit wells;
3. To establish that the proposed alternate unit wells are necessary to recover hydrocarbons from each of the units on which they are to be drilled that cannot be produced effectively and efficiently from any other well located on these units;
4. To authorize the unit allowable for the Cotton Valley D Zone, Reservoir A, and the Cotton Valley Vaughn Sand, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator; and

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5. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Cotton Valley D Zone, Reservoir A, in the South Drew Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No. 904-A-1, effective after April 10, 1975; and redefined insofar as CV D RA SUDD is concerned by Office of Conservation Order No. 904-A-6 effective January 30, 2001.

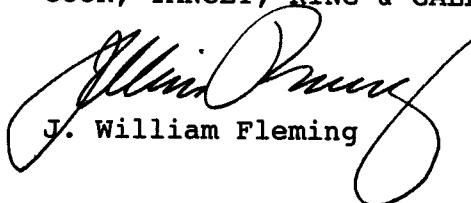
The Cotton Valley Vaughn Sand, Reservoir A, in the South Drew Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No. 904-D, effective December 16, 1975.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Craig Barclay, 522 Dumbarton, Shreveport, Louisiana, 71106, telephone number (318) 869-2223.

There is attached to the copies of this letter being sent to the Office of Conservation a list which includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application and the attached plat is being sent to each such party. Pursuant to Office of Conservation regulations, the list of parties is being furnished at this time only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, a copy of the list of parties will be provided to any person requesting a copy of it. Also enclosed is a check covering the application fee for this matter.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY



J. William Fleming

jwf:s

Enclosures

cc: Mr. Clarence Chandler, District Manager
Interested Owners, Represented
Parties and Interested Parties

